

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC ANNUAL REPORT)	
OF EAST KENTUCKY)	CASE NO.
POWER COOPERATIVE, INC.)	2024-00131
OF THE EARNINGS MECHANISM)	
ESTABLISHED IN CASE NO. 2021-00103)	

MOTION FOR EXTENSION OF TIME

Comes now East Kentucky Power Cooperative, Inc., (“EKPC” or the Company”), by and through the undersigned counsel, pursuant to 807 KAR 5:001 and other applicable law, and hereby respectfully submits its Motion for Extension of time to refund the amounts due to Owner-Members for the calendar years 2022 and 2023 pursuant to the Earnings Sharing Mechanism as contained in the Joint Stipulation and Settlement Agreement in the Kentucky Public Service Commission’s (“Commission”) Case No. 2021-00103, *In the Matter of: Electronic Application of East Kentucky Power Cooperative, Inc., for a General Adjustment of Rates, Approval of a Depreciation Study, Amortization of Certain Regulatory Assets and Other General Relief*. In support of the Motion for Extension, EKPC respectfully states as follows:

I. INTRODUCTION

1. EKPC is a not-for-profit, rural electric cooperative corporation established under KRS Chapter 279 with its headquarters in Winchester, Kentucky. Pursuant to various agreements, EKPC provides electric generation capacity and electric energy to its sixteen (16) Owner-Member Cooperatives (“owner-members”), which in turn serve over 545,000 Kentucky homes, farms and

commercial and industrial establishments in eighty-seven (87) Kentucky counties. EKPC's Board has stated its strategic objective is to maintain a generation fleet that prudently diversifies its fuel sources while maximizing its capital investments and minimizing stranded assets. EKPC is a "utility" as that term is defined in KRS 278.010(3)(a) and a "generation and transmission cooperative" as that term is defined in KRS 278.010(9).

2. In total, EKPC owns and operates approximately 2,963 MW of net summer generating capacity and 3,265 MW of net winter generating capacity. EKPC owns and operates coal-fired generation at the John S. Cooper Station in Pulaski County, Kentucky (341 MW) and the Hugh L. Spurlock Station (1,346 MW) in Mason County, Kentucky. EKPC also owns and operates natural gas-fired generation at the J. K. Smith Station in Clark County, Kentucky (753 MW (summer)/989 MW (winter)) and the Bluegrass Generating Station in Oldham County, Kentucky (501 MW (summer)/567 MW (winter)), landfill gas-to-energy facilities in Boone County, Greenup County, Hardin County, Pendleton County and Barren County (13 MW total), and a Community Solar facility (8.5 MW) in Clark County, Kentucky. Finally, EKPC purchases hydropower from the Southeastern Power Administration at Laurel Dam in Laurel County, Kentucky (70 MW), and the Cumberland River system of dams in Kentucky and Tennessee (100 MW). EKPC also has 200 MWs of interruptible load and approximately 26 MWs in peak reduction mechanisms. EKPC's record peak demand of 3,754 MW occurred on January 17, 2024.

3. EKPC owns 2,995 circuit miles of high voltage transmission lines in various voltages, mainly 69kV and greater. EKPC also owns the substations necessary to support this transmission line infrastructure. Currently, EKPC has seventy-seven (77) free-flowing interconnections with its neighboring utilities. EKPC's transmission system is operated by PJM

Interconnection, LLC (“PJM”), of which EKPC has been a fully integrated member since June 1, 2013. PJM is a regional electric grid and market operator with operational control of over 185,000 MW of regional electric generation. It operates the largest capacity and energy market in North America.

II. BACKGROUND

4. EKPC filed its Application in Case No. 2021-00103 on April 1, 2021. A Joint Stipulation and Settlement Agreement (“Joint Stipulation”) was filed in that case on July 29, 2021, and was signed by EKPC, the Attorney General’s Office (“AG”), Nucor Steel Gallatin (“Nucor”) and AppHarvest Morehead Farm, LLC (“AppHarvest”) (collectively “the Parties”).

5. The Parties entered into Amendment No. 1 of the Joint Stipulation and filed an Application with the Commission to approve the revisions to Paragraph 5 of the Joint Stipulation and Ordering Paragraph of the Commission’s Final Order, on December 27, 2022.¹

6. The Commission granted Amendment No. 2 by Order of June 21, 2023.² The Commission’s Order granted the Application to Amend Paragraph 6 of the Joint Stipulation which discussed the Earnings Sharing Mechanism of the Settlement to place the 2022 margins in excess of a 1.40 TIER of \$1,392,834 into an interest-bearing escrow account.

7. The Commission’s June 21, 2023 Order went on to state that EKPC shall credit customers in 2024 for the 2022 Earnings Mechanism amount of \$1,392,834 plus accrued interest, and the Earnings Mechanism amount for 2023, if any.

¹ *In the Matter of: Electronic Application of East Kentucky Power Cooperative, Inc., To Amend the Joint Stipulation and Settlement Agreement and the Commission’s Final Order in Case No. 2021-00103; Case No. 2022-00430, Order (Jan. 27, 2023).*

² *In the Matter of: Electronic Annual Report on the Earnings Mechanism and Application of East Kentucky Power Cooperative, Inc. for Approval of a Modification to the Earnings Mechanism Established in Case No. 2021-00103; Case No. 2023-00142, Order, (June 21, 2023).*

III. REQUEST FOR 90 DAY EXTENSION

8. EKPC is requesting a ninety (90) day extension of time to return the amounts owed for the years 2022 and 2023 pursuant to the Earnings Sharing Mechanism to its sixteen Owner-Members and to allow its sixteen Owner-Members a ninety (90) day extension to return any amounts owed for the years 2022 and 2023 to their end-use members. Excel spreadsheets entitled *2022 Earnings Sharing Final – Interest May 2024.xlsx*, displays the updated calculation to include interest through May 2024. Excel spreadsheets entitled *2022 Earnings Sharing Final – Interest August 2024.xlsx*, displays the updated calculation to include interest through August 2023. This extra calculation displays the interest accrued through August, to show the impact on credits if a ninety (90) day extension is granted. Excel spreadsheet entitled *2023 Earnings Sharing Final.xlsx* details the calculation for 2023. This calculation shows that the 1.40 TIER for earnings sharing was not met in 2023, and there is no credit to pass back to EKPC’s owner-members for 2023.

9. This ninety (90) day extension would allow EKPC’s Owner-Members the time needed to complete all of the billing software upgrades that were needed to pass-through these amounts to their end-use members. The amounts to be returned will not change, besides the addition of accrued interest, they will only be delayed. Because no rates are affected, public notice is not required to be given.

10. Nucor and the AG have no objection to the ninety (90) day extension within which to return the amounts to be returned under the Earnings Sharing Mechanism. AppHarvest has filed for bankruptcy and no longer is the legal entity that was a party to this matter.

WHEREFORE, EKPC respectfully requests the Commission to approve the Motion for Extension and grant a ninety (90) day extension to return the 2022 amounts pursuant to the Earnings Sharing Mechanism.

This 30th day of April, 2024

Respectfully Submitted,

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CERTIFICATE OF SERVICE

This is to certify that the foregoing document was electronically filed with the Commission on April 30, 2024 and that there are currently no parties that the Commission has excused from electronic service. Pursuant to prior Commission orders, no paper copies of this filing will be made.

Counsel, East Kentucky Power Cooperative, Inc.